

A request is being made for an agriculture easement program to be developed as a part of the new farm bill. This program will allow farmers to agree to an agriculture easement to satisfy increased loan obligations brought about by maturing shared appreciation agreements. Such an easement program was a part of the Senate version of the present farm bill, but was lost in committee before the final version of the bill was passed.

One of the directives to USDA of the Agricultural Credit Act of 1987 was to restructure loans and write down farm debt. In order to be eligible for these restructuring programs, designed to help keep producers on the land, thousands of farmers accross the country were required to sign ten year shared appreciation agreements.

Due to increased upward pressure put on farm land prices from residential and industrial development these agreements, even though not explained well at the time of signing, are now being interpreted at the time of maturity by farm service agencies as to allow for 100% of the restructured writedown to be recaptured and added back to a farmers debt. This occures at the end of the ten year shared appreciation agreement even though the farmer has remained on the land and made all loan payments due.

These large increases in debt load often leads to a farmer being unable to cash flow the new debt. Increased land value only translates into the ability to cash flow a large loan if all or part of the land is sold. This defeats the initial intent of the program to keep farmers on the land.

An agriculture easement program can accomplish the following goals;

- 1) Allow farmers to complete their loan agreements without assuming additional large loan obligations.
- 2) Fullfill the initial intent of the loan restructuring program to keep family farmers on the land.
- 9) Accomplish the afore mentioned goals without any cash expenditures by USDA.
- 3) Prevent farm land from being lost to residential and industrial development.

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